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*Mr  
Cotton  
/  
file to general file*

# Ogilvy & Mather

International Inc., Advertising

ANNUAL REPORT 1969



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[https://archive.org/details/Ogil1549\\_1969](https://archive.org/details/Ogil1549_1969)

## Ogilvy & Mather has 30 offices in 14 countries. Here are their addresses:

### **NEW YORK**

Ogilvy & Mather Inc.  
2 East 48 Street

### **ATLANTA**

235 Peachtree Street N.E.

### **CHICAGO**

500 No. Michigan Avenue

### **SAN FRANCISCO**

235 Montgomery Street

### **HOLLYWOOD**

6565 Sunset Boulevard

### **HOUSTON**

3101 Richmond Avenue

### **LONDON**

Ogilvy & Mather Ltd.  
Brettenham House  
Lancaster Place W.C. 2

### **FRANKFURT**

Heumann, Ogilvy & Mather G. m. b. H. & Co.  
Haus am Hainerweg  
Hainerweg 15

### **TORONTO**

Ogilvy & Mather (Canada) Ltd.  
88 University Avenue

### **MONTREAL**

Ogilvy & Mather (Canada) Ltd.  
Place du Canada

### **VIENNA**

Ogilvy & Mather Ges. m. b. H.  
Ferdinandstrasse 4

### **MILAN**

Ogilvy & Mather S.p.A.  
Piazza Santa Maria Beltrade 1

### **PARIS**

Ogilvy & Mather International Inc.  
129 Champs Elysées

### **AMSTERDAM**

Van Maanen, Ogilvy & Mather N.V.  
Westerdokhuis  
Barentszplein 7

### **BRUSSELS**

Van Maanen, Ogilvy & Mather S.A.  
Avenue Leo Errera 47

### **MELBOURNE**

Ogilvy & Mather (Australia) Pty., Ltd.  
566 St. Kilda Road

### **SYDNEY**

Ogilvy & Mather (Australia) Pty., Ltd.  
132 Arthur Street, North Sydney

### **MEXICO CITY**

Panamericana de Publicidad S.A.  
Paseo de la Reforma 133

### **BOGOTA**

Patino & Ponce de Leon C.P.V. Publicidad S.A.  
Carrera 10, No. 19-64

### **CARACAS**

CORPA C.A.  
Torre Phelps  
Plaza Venezuela  
(plus 2 branch offices)

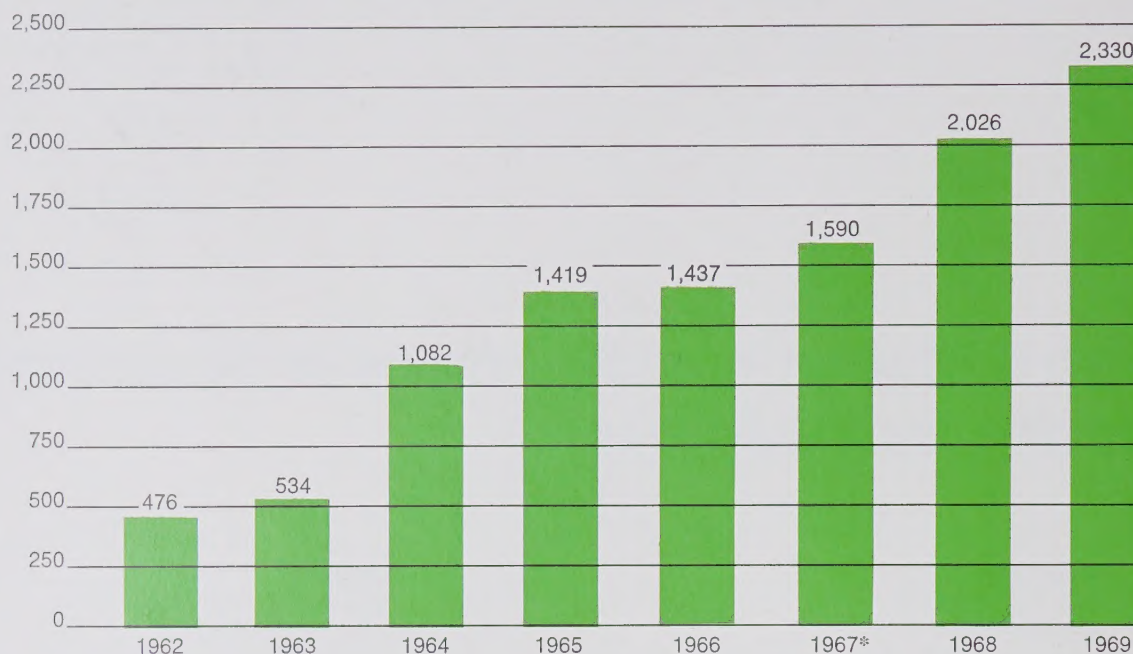
### **RIO DE JANEIRO**

Standard Propaganda, S.A.  
Avenida Presidente Vargas 290  
(plus 7 branch offices)



## OPERATING INCOME

THOUSANDS OF DOLLARS



\*Before extraordinary charge of \$253,019 arising from the devaluation of the British pound.

## FIVE YEAR EARNINGS SUMMARY

THOUSANDS OF DOLLARS

	YEAR ENDED DECEMBER 31,				
	1965	1966	1967	1968	1969
Gross billings	\$149,488	\$166,300	\$179,209	\$205,254	\$229,565
Fee and commission income	\$ 23,741	\$ 26,675	\$ 28,804	\$ 32,041	\$ 35,800
Other income, net	236	263	289	363	704
	<u>23,977</u>	<u>26,938</u>	<u>29,093</u>	<u>32,404</u>	<u>36,504</u>
Salaries & other employee benefits	14,459	16,486	17,775	19,623	21,857
Office, general and other expenses	6,590	7,361	7,977	8,271	9,444
Minority interest	117	42	33	50	71
	<u>21,166</u>	<u>23,889</u>	<u>25,785</u>	<u>27,944</u>	<u>31,372</u>
Income before taxes	<u>2,811</u>	<u>3,049</u>	<u>3,308</u>	<u>4,460</u>	<u>5,132</u>
Provision for taxes on income					
United States	644	1,146	1,136	1,773	1,823
Foreign	748	466	582	661	979
	<u>1,392</u>	<u>1,612</u>	<u>1,718</u>	<u>2,434</u>	<u>2,802</u>
Income before extraordinary charge	1,419	1,437	1,590	2,026	2,330
Extraordinary charge			253*		
Net income	<u>\$ 1,419</u>	<u>\$ 1,437</u>	<u>\$ 1,337</u>	<u>\$ 2,026</u>	<u>\$ 2,330</u>
Per share—Income before extraordinary charge	\$ 1.31	\$ 1.32	\$ 1.46	\$ 1.86	\$ 2.08
—Extraordinary charge			.23*		
—Net income	<u>\$ 1.31</u>	<u>\$ 1.32</u>	<u>\$ 1.23</u>	<u>\$ 1.86</u>	<u>\$ 2.08</u>
—Dividends	<u>\$ .20</u>	<u>\$ .30</u>	<u>\$ .47½</u>	<u>\$ .50</u>	<u>\$ .57½</u>

\*Devaluation of the British pound.





DAVID OGILVY  
Chairman, Ogilvy & Mather International



DONALD ATKINS  
Vice-Chairman, Ogilvy & Mather International

## 1969 was our most profitable year

In 1969, we maintained our unbroken record of topping the preceding year.

Our net income increased by 15 percent to \$2,330,384, or \$2.08 per share, compared with \$2,026,092, or \$1.86 per share, in 1968.

Our billings increased to \$229,564,903 from \$205,254,489 in 1968, or 12 percent.

We paid four quarterly dividends, the first of 12½ cents per share, then three of 15 cents per share: 57½ cents per share for the year.

Profits outside the United States increased by 68 percent, as a result of more profitable operations in England, Canada, Germany, Australia and Austria.

We expanded into Latin America, Holland and Belgium. Ogilvy & Mather now has 30 offices in 14 countries. The earnings of our newest acquisitions will contribute modestly to our 1970 figures.

In all countries where we have offices, we added new clients in 1969.





JOHN ELLIOTT, JR., Chairman and ANDREW KERSHAW, President—New York

## Growth in the United States

For the sixth consecutive year, Ogilvy & Mather (U.S.) made substantial gains over the preceding year.

Billings increased to \$152,349,280, a growth of 10.1 percent over 1968. We added a greater volume of new business than in any previous year.

We were appointed by Owens-Corning Fiberglas, Hershey, the French Government Tourist Office, Menley & James (Contac) and Cessna. The full effect of these additions will be felt in 1970.

In 1969, we resigned two unprofitable accounts, and we lost two accounts.

We continue to practice selectivity in adding new accounts, so that we can concentrate on a limited number of growth opportunities. In 1965, we had twenty-four clients with billings of \$80,000,000. Today we have only thirty clients, billing almost twice that.

Growth with present clients is the best testimonial to an agency's performance. We have grown with virtually all our clients, the most striking examples being American Express, Bristol-Myers, General Foods, Lever Brothers, Sears, Roebuck and Shell.



## Promotions from our ranks

In November, Andrew Kershaw was elected President of Ogilvy & Mather (U.S.) succeeding James R. Heekin, Jr., who left the agency. For nine years, Mr. Kershaw has been Chairman of our Canadian agency, which he built into one of the best known in Canada. He has been a Director of our U.S. company for eight years.

During the year, we elected four new Directors of our U.S. company. We also elected four Senior Vice-Presidents and eight Vice-Presidents.

All these new officers were promoted from our ranks. We grow our own. Prompt recognition of ability has virtually eliminated turnover in the men and women we count on most.

In February, 1970, we opened a 30-man office in Houston to service Shell, which has moved the headquarters of its marketing operations to Houston.

We are keeping an increasingly tight rein on costs. In 1969, we instituted even more precise budgetary controls.

A traditional, though rudimentary, measure-

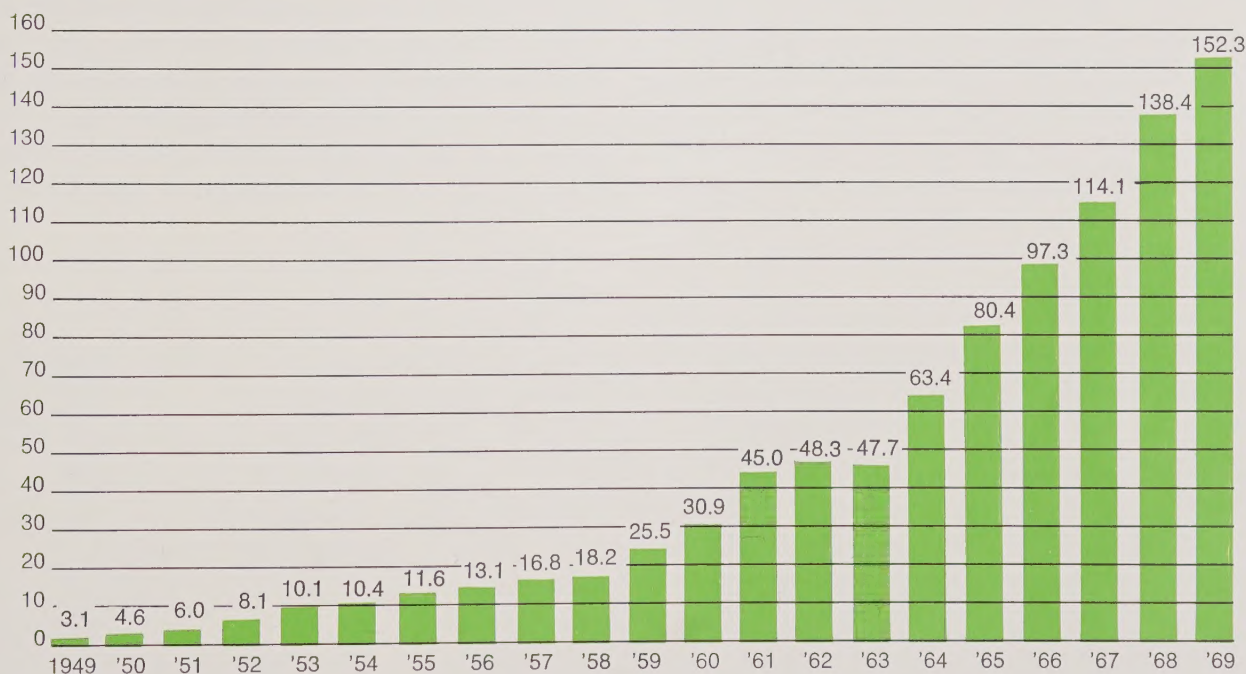
ment of an agency's efficiency is the ratio of employees to billings. In 1959, we had 10.5 employees per million dollars in billings. In 1969, we had 5.9. As salary costs are forced up by competition and inflation, this ratio must go down even further. We believe there is still room for improvement in our efficiency.

Our positive action program for recruiting and training members of minority groups continues to be effective. Eighty-four, or 9.5 percent, of our employees are now members of minority groups, and they contribute to our strength in all departments. The percentage is going up. We have been complimented on our work in this area by the New York City and New York State Commissions on Human Rights, and the Equal Employment Opportunity Commission in Washington.

In 1969, Ogilvy & Mather was again active in public service advertising, working without remuneration for the Red Cross; the Labor Department's "Continue Your Education" program; the New York Fire Department; and many other projects for which our employees volunteered their services as individuals.

### OGILVY & MATHER 21 YEAR BILLINGS GROWTH • NEW YORK

MILLIONS OF DOLLARS







ANGUS ROSS, Deputy Chairman and JAMES BENSON, Chairman—London



JOHN STRAITON, President and ROBERT MILLER, Managing Director—Toronto

## Growth of international operations

Profits from our international operations increased 68 percent in 1969. This was on top of a 64 percent increase in 1968. We look to continued growth of our operations outside the United States.

In London, despite continuing curbs on the British economy, new accounts raised our billings by almost eight percent.

Our new clients include the British Steel Corporation, Cinzano, Hambros Bank, International Publishing Corporation, and the Southern Gas Board. Ten new assignments came from Reckitt & Colman, Unilever, Mars, and John Player & Sons. We lost one account and resigned another.

On January 1, 1970, James Benson became Chairman of Ogilvy & Mather (London), succeeding Donald Atkins, who continues as Vice-Chairman of our parent company. Angus Ross became Deputy Chairman.

With a balance of payments surplus at last achieved, the outlook for British business looks more buoyant. Our London office expects a further advance in 1970.

### Expansion in Europe

In January, 1970, we announced our expansion into Amsterdam and Brussels, through the acquisition of a majority interest in the Van Maanen

agency, which is now known as Van Maanen, Ogilvy & Mather.

Van Maanen is one of the largest agencies in Holland. It was founded in 1921 and five years ago opened a branch office in Brussels.

Our Dutch colleagues, Cor Bandt and Eddie de Smet, continue as Managing Directors of Van Maanen, Ogilvy & Mather. Henry P. Bernhard, Chairman of Ogilvy & Mather's Continental offices, represents your company in the management.

In Germany, Dieter Starck was appointed Managing Director of our Frankfurt company. We won ten new accounts, including the major appliances of AEG-TELEFUNKEN and Veith-Pirelli tires. We received new assignments from Unilever and Effem-Mars.

In Austria, Helmut Zambo moved from our Frankfurt office to become Managing Director of our Vienna office. We gained eight new accounts, including Mercedes-Benz Wiesenthal and Schweppes.

In Italy, Gianni Muccini joined us as Chairman of our Milan office, to work in partnership with Robert Lasagna, Managing Director. We added Isolabella, Reckitt and the milk campaign for the Province of Milan.





DIE DE SMET, HENRY BERNHARD, STANLEY PIGOTT and COR BANDT  
Van Maanen, Ogilvy & Mather—Amsterdam and Brussels



GIANNI MUCCINI, Chairman and ROBERT LASAGNA, Managing Director—Milan

## Progress in Canada and Australia

In Canada, existing accounts grew, new accounts were won, and we purchased the Mac Shoub Group. This acquisition, in combination with our already established service office, gave us a full-service profit center in Montreal. What's more, it added a most valued client to our roster: Seagram.

Andrew Kershaw continues as Chairman of Ogilvy & Mather (Canada), but the day-to-day running of the company has devolved on John Straiton, President, and Robert Miller, Managing Director.

Our Australian offices, under the leadership of Michael Ball, continued their remarkable growth. Billings were up 85 percent over 1968.

In 1969, we gained seven new accounts, including Dunlop and Nabisco. We were also awarded new assignments from Bristol-Myers, General Foods, Unilever and other clients.

Early in 1970, Michael Ball was elected a Director of the parent company.

## First steps into Latin America

In 1969, we took our first steps into Latin America. We acquired a substantial minority ownership in CORPA, the largest advertising agency in Venezuela. CORPA is associated in Mexico with Panamericana de Publicidad, and in Colombia with Patino Ponce de Leon. All three agencies are now functioning as members of the Ogilvy & Mather group of agencies. William Phillips represents your company on the Board of CORPA.

As this Report went to press, we announced the purchase of a substantial minority interest in Standard Propaganda, the largest Brazilian advertising agency. It has eight offices, with headquarters in Rio de Janeiro.

We look forward with enthusiasm and confidence to our partnership with these excellent agencies and their heads, Dr. Alfredo Machado Gomez, Jacques A. Regis Etievan, Raul Gutierrez, Alvaro Ponce de Leon and Cicero Leuenroth.

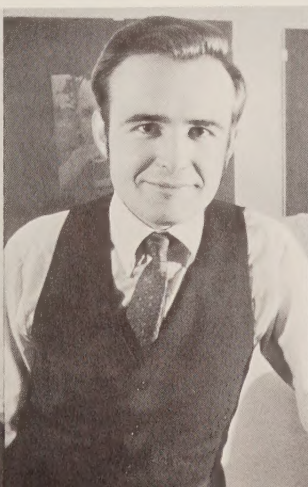
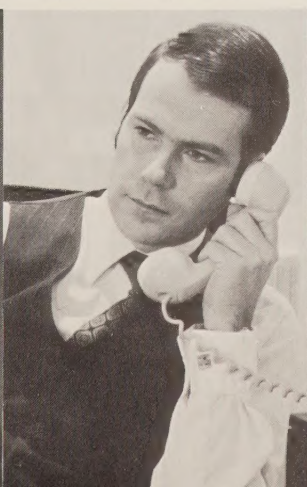
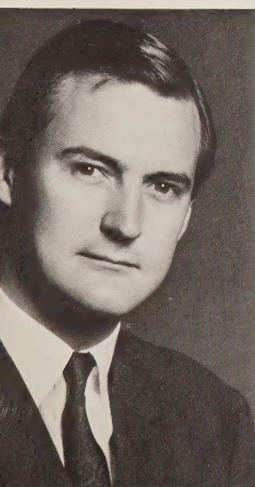
MICHAEL BALL  
Chairman, Melbourne

DIETER STARCK  
Managing Director, Frankfurt

HELMUT ZAMBO  
Managing Director, Vienna

JACQUES A. REGIS ETIEVAN  
President, CORPA, Caracas

RAUL GUTIERREZ, President,  
Panamericana de Publicidad, Mexico City  
and WILLIAM PHILLIPS, Senior Vice-  
President, Ogilvy & Mather, New York







Ogilvy & Mather International Directors and Officers: Seated—David Ogilvy, Angus Ross, Shelby Page, Andrew Kershaw, William Phillips. Standing—James Benson, Donald Atkins, Stanley Pigott, John Elliott, Jr., and Henry Bernhard. Not present—Michael Ball.

## Planning for continued expansion

We are planning further international expansion. International companies are turning more and more to those advertising agencies that can provide first-class international services. We now serve 17 clients in three or more countries.

We regard all our 30 offices (and others as they are added) as one agency indivisible, with common policies and uniform standards of service.

Toward this end, we are stepping up the movement of our most talented people from country to country. We sent one of our New York men to be the Chairman of our Continental offices; a man from our Toronto office to launch our Australian company; a man from Frankfurt to head up our Austrian office; a man from New York to head up creative work on the European continent. We have brought the head of our Toronto office to be the President of our New York office. And so on. There will be more of such movements in the years to come.

To accelerate this process of internationalization, we have appointed International Management Supervisors to manage our international ac-

counts. Some of them work out of our New York office, others out of London and Frankfurt.

Ogilvy & Mather is dedicated to six purposes, which bear restatement:

1. To serve our clients more effectively than any other agency.
2. To earn an increased profit every year.
3. To maintain high ethical standards.
4. To run the agency with a sense of competitive urgency.
5. To make Ogilvy & Mather the most exciting agency to work in.
6. To earn the respect of the community.

Ogilvy & Mather has an exceptionally *diverse* roster of clients—a fact which adds to our stability and growth potential. We are proud of our clients; on pages 25, 26, and 27 we list them, as well as the fine products we advertise for them.

*David Ogilvy* *Donald Atkins*

David Ogilvy,  
Chairman

Donald Atkins,  
Vice-Chairman

April 7, 1970



# Television Commercials



Bristol-Myers, New York



British Rail, London



Bass, Charrington, London



Rosentree, Toronto



Gillette, London



Guinness, London





Michaels-Stern, New York



Schweppes, Frankfurt



Tea Council, London



General Foods, New York



Lever Brothers, New York



Unilever, Melbourne





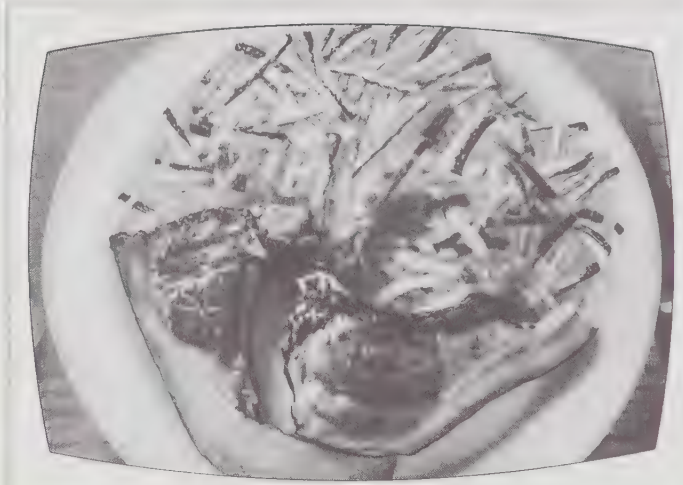
Shell, New York



ICI, London



Campbell Soup, Toronto



Dornay Foods, London



Effem, Frankfurt



Hershey Foods, New York





General Foods, New York



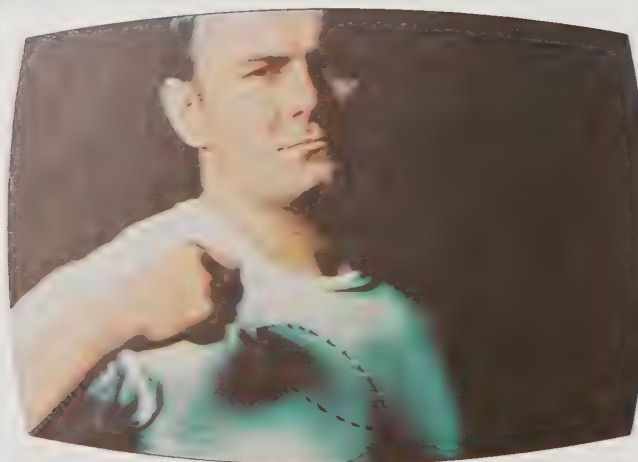
Massey-Ferguson, Melbourne



Drackett, New York



Unilever, London



Unilever, Frankfurt



Petfoods, London





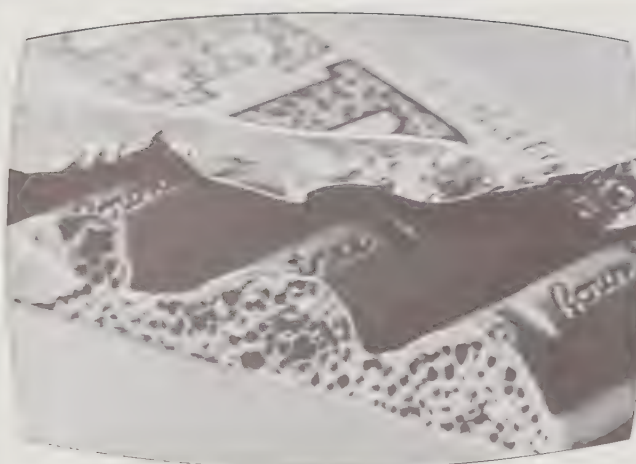
Shell, London



Sears Roebuck, New York



Shell Chemical, New York



Rummel, London



Schneppes, London



L'Oréal, New York





Effem, Frankfurt



General Foods, New York



General Foods, New York



General Foods, Toronto



B. H. P. Melbourne



Ronson, London





Unilever, London



Bristol-Myers, New York



Nationwide Insurance, New York



Rowntree, London



Outspan, Frankfurt



Lever Brothers, Toronto



1. 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681,

"If you want to buy stock,  
we want your order—  
whether you're buying  
10 shares or 10,000"

The Zippo  
that dropped into a  
Hawaiian pineapple field-  
from 1,100 feet.

*Crisp wheat breads*

Just great with toppings...or just great plain!

But, could you? NEW says "These machines are a good fit for our look and past two years' success based on National Instruments' support in white paper support, when our business was in the pre-2000 development stage," Jeffrey Turner, CEO, says. "Our business is in the development stage. These machines would be a great fit for our business. We're looking at the 2000 and 2001 models and we're going to be looking at the 2002 models."

Tijuana smalls

Tijuana smalls

**Schokolade und Margarine**

Aber Sie machen keine, die Ihren Kuchen zarter und saftiger macht? Schokolade.

16





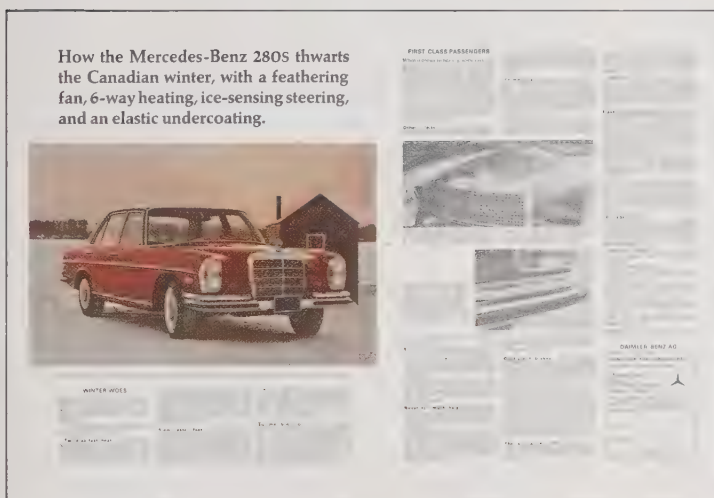
Steuben Glass, New York



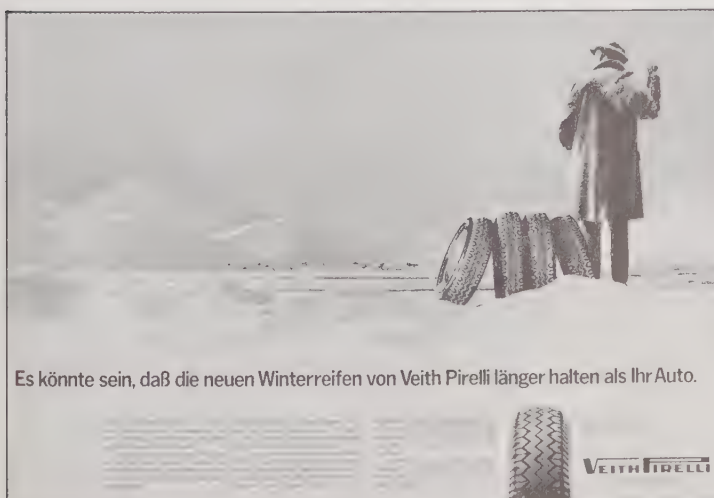
C. A. A. B., Toronto



Harvest Foods, Melbourne



Mercedes-Benz, Toronto



Veith-Pirelli, Frankfurt



French Tourism, New York





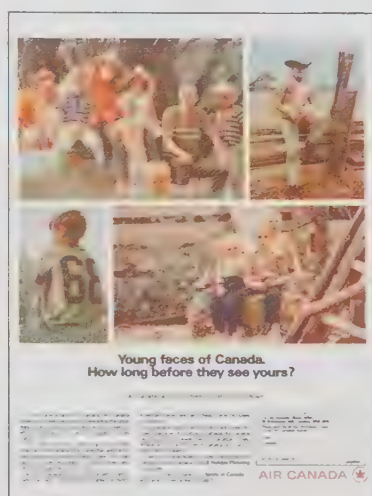
American Express, Toronto



Shell Chemical, New York



Shell, Vienna



Air Canada, London



Mercedes-Benz, New York



Omega, London





**Cessna announces  
over 800 new jetports**

*cessna citation*

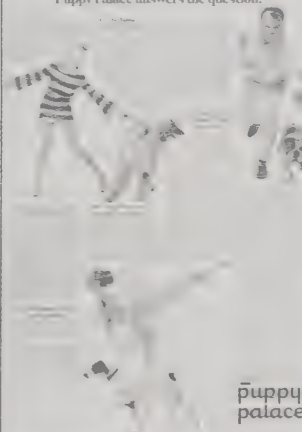
Cessna, New York



It's Owens Corning Fiberglas insulation that keeps your home warm and comfortable. But your heating costs don't go through the roof. Reason: you've got six inches of Fiberglas insulation in the ceiling, three inches in the wall. Best-reducing Fiberglas, like these brands, is available.

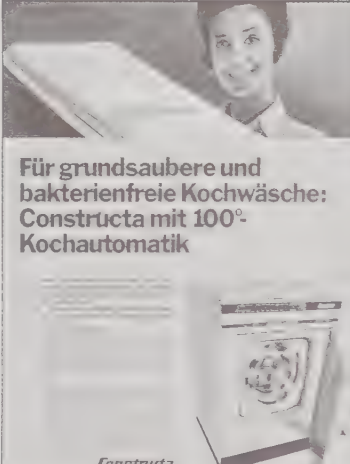
Owens-Corning Fiberglas, New York

Should you look like your dog?  
Puppy Palace answers the question.



puppy palace

Mars/Puppy Palace, New York



**Für grundaubere und  
bakterienfreie Kochwäsche:  
Constructa mit 100°  
Kochautomatik**

*Constructa*

Siemens/Constructa, Vienna




**End oven cleaning forever  
with these new Self-Cleaning  
Ranges from Moffat.**

**MOFFAT**

Here's where you can get your Moffat Self-Cleaning Range.

Moffat, Toronto



Without gasoline  
Businesses lose their business.

**SHELL**

Shell, Toronto

**PATATINA PAI  
CANTA  
IN BOCCA**



fresche  croccanti

PAI, Milan





U.S. Travel Service, New York



British Egg Marketing Board, London



## Swanson Fried Chicken

Deep fried chicken with all the trimmings. Creamy whipped potatoes, diced apple and fancy mixed vegetables with seasoned sauce.

Good chicken meat is a good part of every Swanson Fried Chicken Dinner. Tender white meat from the breast. Juicy, delicious dark meat from the thigh and legs. Lots of good chicken eating in every Swanson Fried Chicken Dinner.

Delicious chicken meat with a deep fried Swanson coating. Crispy, crunchy, made with a savory seasoned batter.

The Swanson Fried Chicken Dinner. It's another of the good meal dinners from Swanson.



Campbell Soup, Toronto



American Express, New York

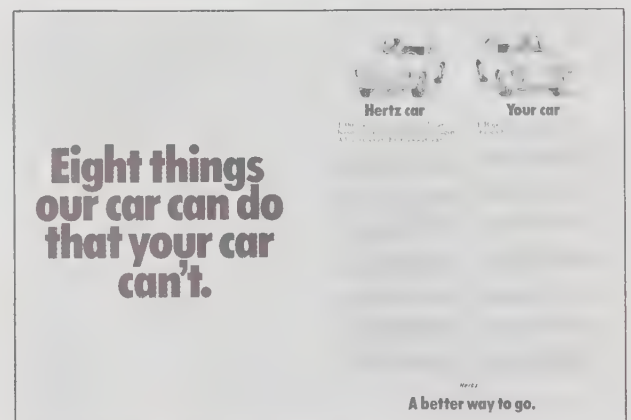
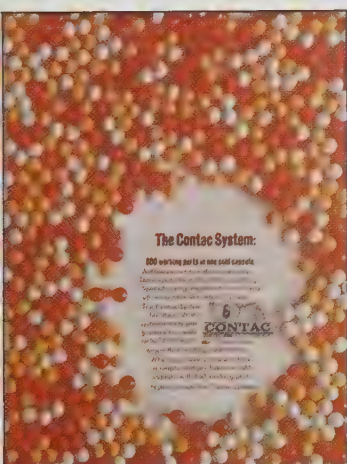
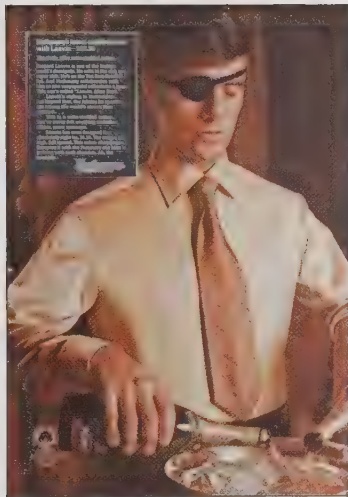


British Steel, London



National Dairy Council, London









Sears, Roebuck: New York



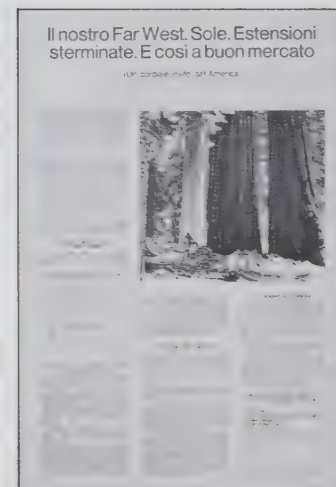
Pepperidge Farm, New York



Schweppes, New York



SIS, Milan



U.S. Travel Service, Milan



Massey-Ferguson, London



ICI, Milan

# WHIRLING SURPRISE!

Windmills were used to pump water off Holland's land—but today KLM can direct you to surprising windmill restaurants, a windmill hotel, a windmill museum and a windmill spy network.



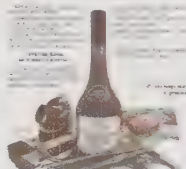
Surprising offer:

KLM, New York



Il sapore della vita...

Il super spaghetti non è quello che crediamo  
essere. È quello che siamo.



SIS, Milan



Yes, from Sears.

Junior Sazaar Shop.

Sears, Roebuck; New York

Now with coupons!



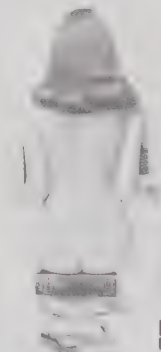
PLAYER'S No. 10

Guaranteed quality at only 3/6 for 20  
and coupons too!



Players, London

Do clever girls  
miss out on sex?



MIRROR  
MAGAZINE

I.P.C., London

## California here we come!



This new British trade drive  
could launch your firm into the world's richest market

**Target California**  
The Board of Trade and the British National Export Council announce Target California, a trade drive to boost British exports in the 1970's.

Through "Target California", exporters will be encouraged to take part in major trade fairs, exhibitions, forward and inward trade missions and more promotions. A highlight of the drive will be a British Week in San Francisco, in October 1977.

To help exporters, the British Ex-Imports is offering:

1. "Export Intelligence" at the Board of Trade
2. "Export Service Bulletin" at the Board of Trade
3. "Export Handbook" at the Board of Trade
4. "Export Intelligence" at the Board of Trade
5. "Export Service Bulletin" at the Board of Trade

**Why British exporters should aim at California**

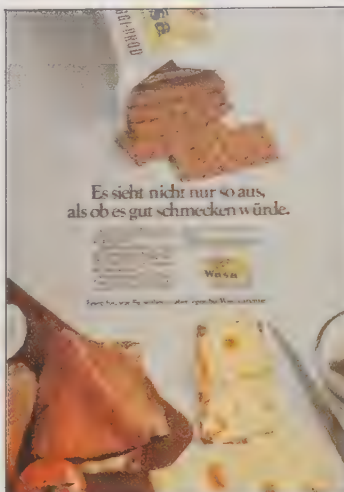
1. There is a demand for all types of goods, both capital and consumer.
2. As a result of the GATT Kennedy Round, tariff reductions on dutiable industrial exports average 40%.

**Export Intelligence can**

- 1. provide information on products in demand in California.
- 2. provide information on individual business units and effective personal sales or mail-ordering programs.
- 3. provide information on potential agents, tariff and export regulations, standards etc.
- 4. provide information on export procedures.

**Call EXPORT INTELLIGENCE at the Board of Trade**  
Call us at 810, London  
01 248 9633 Telex 886143

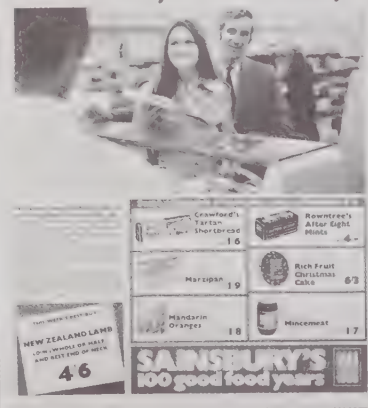
British Board of Trade, London



Es sieht nicht nur so aus,  
als ob es gut schmecken würde.

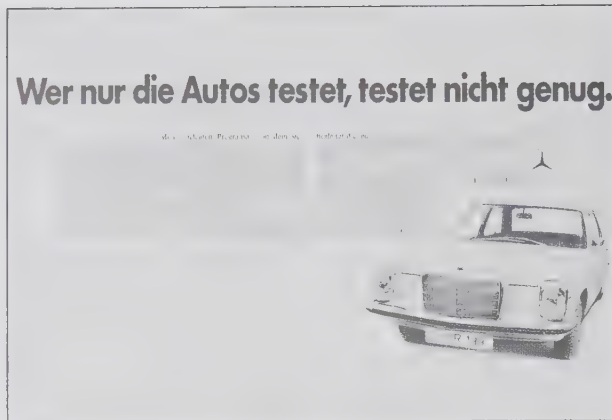
Wasa, Frankfurt

'My husband says I can't go wrong  
with you, Mr. Sainsbury'

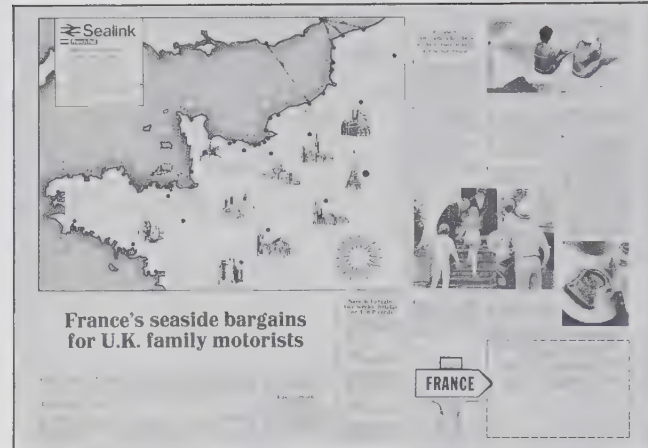


Sainsbury, London





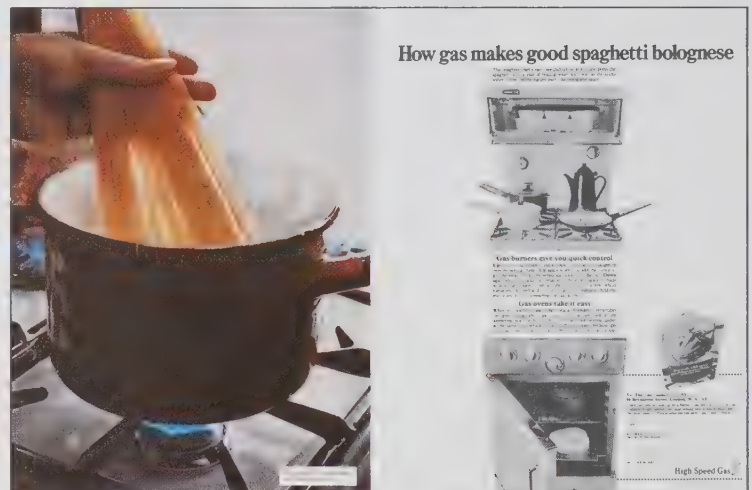
Mercedes-Benz, Frankfurt



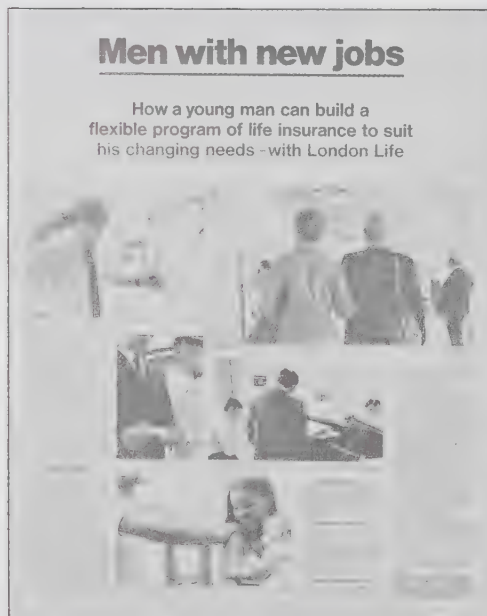
French Tourism, London



Singer, Vienna



Gas Council, London



London Life Insurance, Toronto



Bristol-Myers, New York

# Ogilvy & Mather Clients and Their Products

## New York

### AMERICAN EXPRESS

#### BRISTOL-MYERS

Ban, Dry Ban, Ammens, NoDoz, new products

#### CAMPBELL SOUP COMPANY

Pepperidge Farm products, new products

#### CESSNA AIRCRAFT

Commercial Jet Division

#### THE DRACKETT COMPANY

Drāno, Behold, Whistle, new products

#### FRENCH GOVERNMENT TOURIST OFFICE

#### GENERAL CIGAR

Robt, Burns Cigars, Tijuana Smalls

#### GENERAL FOODS

Maxwell House Coffee, Instant Maxwell House Coffee, Maxim, Max-Pax, Good Seasons Salad Dressing, Shake 'n Bake, Prime, Open Pit, Start, Great Shakes, Gaines Meal, Rix, new products

#### C. F. HATHAWAY

Men's shirts

#### HERSHEY FOODS CORPORATION

Chocolate and Confectionery Division

#### HERTZ INTERNATIONAL

Car and truck rental

#### INTERNATIONAL BUSINESS MACHINES

Corporate, Recruitment

#### INTERNATIONAL NICKEL

Corporate, Trade

#### INTERNATIONAL PAPER

#### KLM ROYAL DUTCH AIRLINES

#### LEVER BROTHERS

Dove, Lucky Whip, Imperial, Diet Imperial, Sof-Spread Imperial, Dove-for-Dishes, Final Touch, Twice as Nice, new products

#### MARS INCORPORATED

##### UNCLE BEN'S

New product

##### PUPPY PALACE ENTERPRISES

#### MENLEY & JAMES

Contac, Contac Nasal Mist, Sine-Off

#### MERCEDES-BENZ

#### MERRILL LYNCH, PIERCE, FENNER & SMITH

#### MICHAELS/STERN

Men's Wear

#### NATIONWIDE INSURANCE COMPANIES

#### OWENS-CORNING FIBERGLAS

#### SCHWEPPE

Tonic, Bitter Lemon, Bitter Orange, Ginger Ale, Ginger Beer, Club Soda, Cocktail Mixers

#### SEARS, ROEBUCK AND CO.

Major Appliances, Home Fashions, Television Sets, Junior Fashions

#### SHELL CHEMICAL COMPANY

#### SHELL OIL COMPANY

Gasoline and other automotive products and services

#### STEBEN GLASS

#### UNITED STATES TRAVEL SERVICE

#### ZIPPO

## London

### AIR CANADA

### AMERICAN EXPRESS

#### BASS, CHARRINGTON

Worthington Beers

#### BRITISH EGG MARKETING BOARD

#### BRITISH RAIL

Eastern and Western Regions  
Motorail

#### BRITISH STEEL CORPORATION

#### BRITISH TURKEY FEDERATION

#### CENTRAL OFFICE OF INFORMATION

British Government Export Advertising

#### CINZANO

#### DORNAY FOODS (Mars)

Dine creamed potato mix, Yeoman Squeak potato fry-up, Yeoman instant mashed potatoes, Yeoman canned potatoes, Uncle Ben's Rice

#### FINDLATER MACKIE TODD

Wines and spirits

#### FISONS

Corporate

#### FRENCH GOVERNMENT TOURIST OFFICE

#### GAS COUNCIL

Heating, cooking and refrigeration

#### GILLETTE SAFETY RAZOR COMPANY

Foamy, Spruce, Techmatic, Papermate, Tempo

#### COLTON

Eve of Roma cosmetics, new products

#### HAMBROS BANK

Allied Investors Trusts

#### HERTZ INTERNATIONAL

Car and truck rental

#### HP SAUCE

Sauces and baked beans, new products

#### IMPERIAL CHEMICAL INDUSTRIES

Corporate and divisional publicity

#### ICI FIBRES

Terylene, Crimplene, Ulstron, Bri-Nylon

#### INTERNATIONAL PUBLISHING CORPORATION

Mirror Magazine

#### LEA & PERRINS

Worcester Sauce

#### LEGAL AND GENERAL ASSURANCE SOCIETY

#### MASSEY-FERGUSON

Farm and construction machinery

#### NATIONAL DAIRY COUNCIL

(and eight other Statutory Boards)

#### THE OBSERVER

Newspaper and colour magazine

#### OMEGA WATCH COMPANY

#### PETFOODS (Mars)

Bounce, Mick, new product

#### PORVAIR

#### JOHN PLAYER & SONS

Medium Navy Cut, Gold Leaf, No. 6, No. 10, and Grosvenor cigarettes

#### RECKITT & COLMAN

##### TOILETRIES DIVISION

Supersoft hairspray, Supersoft shampoo, Freshette women's deodorant, Close-up deodorant

#### REDIFFUSION

TV and radio sales and rentals

#### REDITUNE

Taped music

#### RONSON PRODUCTS

Lighters

#### ROWNTREE MACKINTOSH

Aero, Beech-Nut, Blue Riband biscuits, Caramel Wafers, Sun-Pat nuts and peanut butter, new products

#### J. SAINSBURY

#### SCHWEPPE

Tonic, Bitter Lemon, American Dry Ginger Ale, Dry Ginger Ale, Soda Water, Lemonade Shandy, Jams, Marmalades, new products

#### SHELL INTERNATIONAL

##### PETROLEUM COMPANY

Corporate

#### SHELL-MEX & B. P.

Shell Petrol and other automotive products

#### SOUTHERN GAS BOARD



## TEA COUNCIL

## UNILEVER

### BATCHELORS FOODS

Canned vegetables

### LEVER BROTHERS & ASSOCIATES

Comfort, new products

### SILCOCK & LEVER FEEDS

Animal feeds

### VAN DEN BERGHS

Spry, Crisp 'n' Dry cooking oil

## UNITED STATES TRAVEL SERVICE

## Frankfurt

### AEG-TELEFUNKEN

Corporate, power tools,  
all household appliances

### ALLGAEUER ALPENMILCH

Alete babyfood

### AMERICAN EXPRESS

### DEUTSCHE LUFTHANSA

Corporate, passenger, freight

### DEUTSCHE SHELL

All products and services

### DEUTSCHE SHELL CHEMIE

Vapona Strip Insecticide, chemical products

### DIREKTSERVICE FLY AND DRIVE

Co-operation Lufthansa and Hertz

### EFFEM (Mars)

Pal, Loyal, Rolf dog foods, Kitekat cat food,  
new product

### FRANKFURTER BANK

### FRENCH GOVERNMENT TOURIST OFFICE

### GILLETTE ROTH-BUECHNER

Gillette and Rotbart blades and razors,  
Techmatic band razor, Dippity-dou

### HERTZ INTERNATIONAL

Car and truck rental

### MERCEDES-BENZ

### OUTSPAN ORGANIZATION

Oranges, Grapefruit

### SCHWEPES

Tonic Water, Bitter Lemon, Ginger Ale

### SEAWORTH PROPERTIES

Real estate

## UNILEVER

### ELIDA-GIBBS

CD bar soap, new product

### MARGARINE UNION

Sanella and Becel margarines, Palmin and  
Palmin Spezial cooking fats

### SUNLICHT

Bio-Luzil enzyme pre-washing powder

## UNITED STATES TRAVEL SERVICE

## VEITH-PIRELLI

Veith-Pirelli tires

## WASAKNAECKE

Rye-King crisp bread

## Toronto

### AMERICAN EXPRESS

### BRISTOL-MYERS

Health & Beauty Aids Division,  
Household Cleaning Products Division

### CAMPBELL SOUP COMPANY

Heat-processed soup, Franco-American,  
Pepperidge Farm, Swanson, V-8

### EAGLE/NORTH-RITE

(Division of Berol Corporation of Canada)  
Writing Instruments

### GENERAL FOODS

Coffee Plus, Gaines Meal, Gaines Professional  
Services Plan, Gravy Train, Jell-O Instant  
Puddings, Jell-O Pudding and Pie Fillings,  
Kool-Aid, Minute Rice, Minute Rice Mixes,  
Sun-Up, Top Choice, Yuban Coffee, new  
products

### C. F. HATHAWAY

Men's Shirts

### HUSKY MANUFACTURING

Injection moulding machines and moulds

### IMPERIAL FURNITURE

### KEYDATA

Computer Services

### KNAPE & VOGT

Builders Hardware

### LEVER BROTHERS

"all", Cold Water "all", Dishwasher "all",  
Amaze, Dove Bar, Dove Liquid, Good Luck,  
Imperial, Lypsyl, Omo, Solo, Surf, Swan  
Liquid, Wisk, new products

### THE LONDON LIFE INSURANCE COMPANY

### MEAD JOHNSON NUTRITIONALS

METREGAL products, PABLUM products,  
NUTRAMENT

### MERCEDES-BENZ

### MOFFAT

Major appliances

### ORTHO PHARMACEUTICAL

Pharmaceutical products

### ROWNTREE

Aero, Black Magic, Coffee Crisp, Dairy Box,  
Jelly Tots, Kit Kat, Mackintosh's Creamy  
Toffee, Smarties, new products

### SHELL CANADA

Gasoline and other automotive  
products and services,  
Agricultural and industrial chemicals

## SHEPHERD CASTERS

### H. B. SHERMAN MANUFACTURING

Lawn sprinklers, Hose goods

## TRADERS GROUP

## UNITED STATES TRAVEL SERVICE

### WARNER-LAMBERT

Bromo-Seltzer

## ZIPPO

## Montreal

### BIO-TECHNICAL INDUSTRIES

(Division of Bristol-Myers)

Animal health and agricultural products

### CALVERT OF CANADA

Myers's Rums

### CANADIAN INTERNATIONAL

PAPER COMPANY

### EXCEL HOSIERY

Panty Hose

### FRENCH GOVERNMENT TOURIST OFFICE

### HERTZ INTERNATIONAL

Car and Truck Rental

### INTERNATIONAL WINES & SPIRITS, LTD.

Chivas Regal Scotch Whisky, Bisquit  
Dubouché Cognac, Barton & Guestier Wines,  
Noilly Prat Vermouth, Perrier Jouet  
Champagne

### JOHNSON & JOHNSON

CAREFREE\* Tampons, J CLOTH\* Towels, MODESS\*  
Napkins

### JONERGIN CO.

Labels, data processing supplies,  
plastic printing

### PERKINS

Paper products

### SCHWEPES POWELL

Schwepes Beverages, "The Tea," Rose's  
Cordials and Squashes, Chivers Jams and  
Marmalades

### JOSEPH E. SEAGRAM & SONS

Seagram's 83 Canadian Whisky, Burnett's  
White Satin Gin, Burnett's Sterling Gin

\*Trademark of Johnson & Johnson and affiliated companies

## Melbourne

### AMERICAN EXPRESS

### BRISTOL-MYERS

Clairol, Drāno, Windex, Ban, Avert,  
Kindness, Twinkle, new products

**BROKEN HILL PROPRIETARY CO.**  
Construction engineering, packaging, and  
appliance products

**COBALIDE**  
Corporate, all products

**CYCLAX**  
Cosmetics, men's toiletries

**DRUG HOUSES OF AUSTRALIA**  
Dexsal, Sal Vital, Ponderax, ethical  
pharmaceuticals

**DUNLOP**  
DUNLOP AUSTRALIA  
Corporate  
DUNLOP AUTOMOTIVE DIVISION  
Tyres, tyre service, batteries, accessories,  
aviation  
DUNLOP INDUSTRIAL PRODUCTS  
DIVISION  
All products

**F&T INDUSTRIES**  
Footwear, Plastics & Rubber, Floorcovering,  
Non-Woven

**GENERAL FOODS**  
COTTEE'S GENERAL FOODS  
Conserves and Marmalades, Jelly Crystals,  
Instant Puddings, Cordials, Fruit Cordial  
Extracts, Dessert Toppings, Shake'n Crumb,  
Kool-Aid, John Bull Regular and  
Instant Oats, Start

**GOLDEN POULTRY**  
Fresh and Frozen Chickens, Ducks,  
and Turkeys

**HARVEST FOODS**  
Plumrose Canned Meals, Leggo's Tomato Paste

**HERTZ OF AUSTRALIA**  
Car and Truck Rentals

**ICIANZ**  
Alkali & Chemical Group (part only)

**MASSEY-FERGUSON**  
Agricultural and industrial equipment

**MILDARA WINES**  
Table Wines, fortified wines, brandy

**NABISCO**  
Crackers, Creams, Chocolate Enrobeds, Sweet  
Biscuits, new product assignments

**ROWNTREE**  
Aero, Fruit Pastilles, Jellytots, Smarties,  
Coffee Crisp, Kit Kat, new products

**SHELL CHEMICAL**  
Rural and Industrial Chemicals, Plastics,  
Shelltox Pest Strips, Shelltox Ministrips,  
Shelltox Aerosol, Dogbands

**TUCKFIELDS TEAS**  
Tea

**UNCLE BEN'S**  
Chum

**UNILEVER**  
LEVER & KITCHEN  
New product assignments  
REXONA  
Headway, new product assignments  
ROSELLA FOODS  
Canned Soups, Deb Instant Mashed  
Potatoes, development products  
**UNITED STATES TRAVEL SERVICE**

**Paris**

**AIR CANADA**  
**AMERICAN EXPRESS**  
**HERTZ INTERNATIONAL**  
**IMPERIAL CHEMICAL INDUSTRIES**  
Corporate  
**REDIFFUSION**  
**SCHWEPPE**  
Douglas Scotch Ale  
**UNITED STATES TRAVEL SERVICE**

**Vienna**

**AIR CANADA**  
**AMERICAN EXPRESS**  
**WOLFGANG ANGER**  
Coating and laminating machines  
**DR. MICHEL BOEHLER**  
Multipurpose ladder, fire extinguisher  
**JOHANN DANZER**  
Kitchen furniture  
**DONAU CHEMIE**  
Fertilizer  
Commercial cleaning fluid  
**DONAU-RENO**  
Fertilizer  
**HERTZ INTERNATIONAL**  
Car and truck rental  
**MARS**  
Confectionery, Petfoods, Uncle Ben's Rice  
**MERCEDES-BENZ WIESENTHAL**  
Cars and trucks  
**RUMANIAN TOURIST OFFICE**  
**A. SANDERSON & CO.**  
Car-care product  
**SCHWEPPE**  
Tonic, Bitter Lemon, Bitter Orange

**SHELL AUSTRIA**  
Automotive, chemical, industrial market  
(all products)  
**SIEMENS ELECTROGERAETE**  
SIEMENS  
All household appliances  
CONSTRUCTA  
Washing machines, dish washers  
**SINGER SEWING MACHINE COMPANY**  
**WIENER STAEDTISCHE**  
Life insurance  
**YARDLEY INTERNATIONAL**  
Cosmetics

**Milan**

**AIR CANADA**  
**AMERICAN EXPRESS**  
**BANCA MORGAN VONWILLER**  
Morgan Guaranty Trust  
**CAMPAGNA DEL LATTE PROVINCIA  
DI MILANO**  
Fresh milk  
**CENTRALE DEL LATTE DI MILANO**  
Fresh milk, fresh cream and other  
dairy products  
**CIPRIANI**  
Hotel group  
**ESTASIS**  
Furniture  
**EVITAL**  
Eve of Roma cosmetics, new products  
**G.S.D.**  
Underwater swimming equipment  
**HERTZ INTERNATIONAL**  
Car and truck rental  
**I.C.I. (Europa) FIBRES**  
Bri-Nylon, Terylene, Crimplene  
**E. ISOLABELLA**  
Bitter 'Amaro 18', other products  
**MERRILL LYNCH, PIERCE, FENNER &  
SMITH**  
**PRODOTTI ALIMENTARI  
INTERNAZIONALI**  
'PAI' potato crisp, new products  
**RECKITT**  
Steradent, new products  
**SIS**  
Cavallino Rosso brandy, Orso Bruno 'grappa',  
vodka Moskovskaia and other spirit drinks  
**TIGULLIO**  
Basil sauce, mayonnaise and other sauces  
**UNITED STATES TRAVEL SERVICE**



# Ogilvy & Mather International Inc.

## Consolidated Statement of Income and Retained Earnings

For the years ended December 31, 1969 and 1968

	<u>1969</u>	<u>1968</u>
<b>GROSS BILLINGS TO CLIENTS</b>	<u>\$229,564,903</u>	<u>\$205,254,489</u>
<b>INCOME</b>		
Fee and commission income	\$ 35,799,986	\$ 32,041,509
Other income, net	<u>704,006</u>	<u>362,810</u>
	<u>36,503,992</u>	<u>32,404,319</u>
<b>EXPENSES</b>		
Salaries and other employee benefits	21,857,325	19,623,599
Office and general expenses	8,687,883	7,678,069
Depreciation and amortization	648,408	498,072
Interest expense	107,226	95,290
Minority interest (Note 1)	<u>71,257</u>	<u>49,562</u>
	<u>31,372,099</u>	<u>27,944,592</u>
<b>INCOME BEFORE TAXES ON INCOME</b>	<u>5,131,893</u>	<u>4,459,727</u>
Provision for taxes on income (Note 3)		
United States	1,822,500	1,773,000
Foreign	<u>979,009</u>	<u>660,635</u>
	<u>2,801,509</u>	<u>2,433,635</u>
<b>NET INCOME</b>	2,330,384	2,026,092
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>5,983,327</u>	<u>4,502,415</u>
	8,313,711	6,528,507
Dividends paid	<u>629,098</u>	<u>545,180</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<u>\$ 7,684,613</u>	<u>\$ 5,983,327</u>
<b>PER SHARE OF COMMON STOCK:</b>		
Net income	<u>\$2.08*</u>	<u>\$1.86</u>
Dividends	<u>\$ .57½</u>	<u>\$ .50</u>

\*Based on weighted average number of common shares and common equivalent shares outstanding. The effect of common equivalent shares on 1968 net income per share is not material.

# Ogilvy & Mather International Inc.

## Consolidated Balance Sheet

	December 31,	
	1969	1968
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and temporary investments	\$ 7,975,507	\$ 5,910,225
Accounts receivable	24,528,296	19,538,999
Expenditures billable to clients	3,618,231	2,865,078
Other current assets	844,819	842,585
Total current assets	36,966,853	29,156,887
<b>FIXED ASSETS, at cost</b>		
Furniture, fixtures and equipment	3,435,123	3,121,666
Leasehold improvements	2,056,005	1,727,387
	5,491,128	4,849,053
Less—Accumulated depreciation and amortization	2,539,316	2,275,158
	2,951,812	2,573,895
<b>INVESTMENTS IN FOREIGN ASSOCIATED ADVERTISING AGENCIES, at cost (NOTE 2)</b>	950,438	
<b>EXCESS OF INVESTMENTS IN CONSOLIDATED COMPANIES OVER NET ASSETS ACQUIRED (NOTE 2)</b>	625,430	525,763
<b>DEFERRED CHARGES AND OTHER ASSETS, less amortization</b>	611,741	272,336
	<u>\$ 42,106,274</u>	<u>\$ 32,528,881</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 25,549,749	\$ 19,486,328
United States and foreign income taxes	1,737,294	1,480,474
Bank loans	1,443,777	690,746
Contributions payable to profit-sharing plans (Note 6)	999,326	919,673
Total current liabilities	29,730,146	22,577,221
<b>15-YEAR 6 PERCENT DEBENTURES (NOTE 4)</b>	811,000	811,000
<b>RETIREMENT AND SEVERANCE RESERVES (NOTE 6)</b>	890,687	563,250
<b>BANK LOAN, due December 22, 1972</b>	300,000	
<b>MINORITY INTEREST (NOTE 1)</b>	33,267	33,025
<b>STOCKHOLDERS' EQUITY (NOTES 4 AND 5)</b>		
Common stock, \$2 par value:		
Authorized—1,400,000 shares		
Issued —1,096,288 shares in 1969		
—1,091,601 shares in 1968	2,192,576	2,183,202
Paid-in surplus	470,705	399,803
Retained earnings	7,684,613	5,983,327
	10,347,894	8,566,332
Less—Treasury stock, at cost—		
400 shares in 1969; 1,250 shares in 1968	6,720	21,947
	<u>10,341,174</u>	<u>8,544,385</u>
	<u>\$ 42,106,274</u>	<u>\$ 32,528,881</u>



# Ogilvy & Mather International Inc.

## Distribution of Net Assets, Gross Billings and Net Income of Operating Agencies

December 31, 1969

	United States	United Kingdom, Continental Europe, Canada and Australia
<b>NET ASSETS</b>		
Current assets	\$ 23,057,911	\$14,641,774
Current liabilities	(18,366,520)	(11,831,239)
Other assets, net	1,718,190	1,149,194
Net assets	<u>\$ 6,409,581*</u>	<u>\$ 3,959,729</u>
<b>GROSS BILLINGS TO CLIENTS</b>	\$152,349,280	\$77,215,623
<b>NET INCOME</b>	\$ 1,663,996*	\$ 845,826

\*Exclusive of net liabilities of \$28,136 and \$179,438 loss of the parent holding company.

## Notes to Consolidated Financial Statements

### Note 1—Principles of Consolidation:

The consolidated financial statements include the accounts of the Company and all subsidiary companies including an 80% owned German agency, but excluding a 51% owned Dutch agency, acquired as of December 31, 1969, (See Note 2.) Foreign currency accounts have been translated into U.S. dollars at appropriate current and historical rates of exchange.

See "Distribution of Net Assets, Gross Billings and Net Income of Operating Agencies" appearing above.

### Note 2—Acquisitions:

During 1969 the Company acquired for cash a minority interest in a Venezuelan agency and a 51% interest in a Dutch agency. The latter interest was acquired

as of December 31, 1969 and therefore it was not practicable to include this agency's balance sheet in the consolidated balance sheet for 1969. The investment in the Dutch agency has been shown at cost in "Investments in Foreign Associated Advertising Agencies." In accordance with the Company's consolidation policy, this agency will be included in the consolidated financial statements in 1970.

Also during 1969, the Company's Canadian subsidiary acquired for cash a 100% interest in another Canadian agency. The increase in "Excess of Investments in Consolidated Companies over Net Assets Acquired" is attributable to this acquisition.

### Note 3—Income Taxes:

No provision has been made for U.S. and foreign taxes which would be payable

upon remittance of foreign subsidiaries' retained earnings to the parent Company; no such distribution is contemplated since these retained earnings are needed for working capital requirements and all dividends from subsidiaries are paid out of current earnings of the respective companies.

### Note 4—Debentures and Earnings Available for Dividends:

The 15-year 6% debentures are payable in five annual installments beginning December 31, 1975; commencing January 1, 1970, the Company has the right to redeem all or a part of these obligations at par plus various premiums. Under the terms of the debentures, certain restrictions are placed on the payment of cash dividends; at December 31, 1969, approximately \$6,600,000 of consolidated retained earnings was not restricted.

### Note 5—Stock Options:

Under the Company's Stock Option Plans ratified by the shareholders in 1966 and 1968, options for 125,000 shares may be granted to officers and key employees of the Company and its subsidiaries at prices equal to 100% of the market value on the date of grant. These options become exercisable one year from the date of grant on a cumulative annual basis at the rate of 25% of the total number of shares under option. No options may be granted under the 1966 Plan after March 31, 1971 and under the 1968 Plan after April 30, 1973.

During 1969 options for 7,000 shares were granted, options for 6,037 shares were exercised and options for 20,763 shares were cancelled. At December 31, 1969 options for 94,800 shares at prices ranging from \$12.75 to \$26.125 were outstanding of which 47,906 were exercisable, and 24,163 shares remained available for grant.

### Note 6—Pension and Profit Sharing Plans:

The German agency has a retirement plan under which unfunded provisions based on actuarial calculations are made to provide for anticipated pension obligations including prior service costs over the service life of eligible employees. Under the British company's contributory plan, annuities are purchased from an insurance company to provide for the annual increment in earned benefits of plan participants. The Australian company initiated a retirement plan in 1969 under which the company's contributions will be accumulated by a trustee for the benefit of plan participants. Eligible employees may also make contributions to the fund. Plan benefits are based on amounts accumulated in each individual's account at termination or retirement. Vested benefits of all plans are more than covered by book reserves and fund assets, respectively. Aggregate costs of these plans amounted to \$295,045

\$213,197 in 1968). No other consolidated subsidiaries of the Company have pension plans.

The aggregate cost of contributions to profit sharing trust funds of the United States and Canadian operating subsidiaries amounted to \$999,326 (\$919,673 in 1968).

### Note 7—Commitments:

Approximate annual rentals under leases in effect on premises occupied by the Company's operating subsidiaries were as follows:

1970	\$1,915,000
1971	1,825,000
1972	1,800,000
1973	1,555,000
1974	1,380,000

Total lease commitments extending beyond 1974 amounted to approximately \$1,315,000 for terms ending through 1980.

The Company is obligated to purchase the remaining minority interests in Heumann, Ogilvy & Mather and in Van Maanen, Ogilvy & Mather should the minority interests so elect.

To the Board of Directors  
and Stockholders of  
Ogilvy & Mather International Inc.

60 Broad Street  
New York, New York

In our opinion, the accompanying consolidated balance sheet and related consolidated statement of income and retained earnings present fairly the financial position of Ogilvy & Mather International Inc. and its subsidiaries at December 31, 1969 and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

March 4, 1970

PRICE WATERHOUSE & CO.



## Directors and Officers

Chairman and Chief Executive	<b>David Ogilvy</b> Creative Director New York
Vice-Chairman	<b>Donald Atkins</b> London
	<b>Michael Ball</b> Chairman Melbourne
	<b>James Benson</b> Chairman London
	<b>Henry P. Bernhard</b> Chairman Continental Offices
	<b>John Elliott, Jr.</b> Chairman New York
	<b>Andrew G. Kershaw</b> President New York
Treasurer	<b>Shelby H. Page</b> Senior Vice-President New York
	<b>William E. Phillips</b> Senior Vice-President New York
	<b>A. A. Ross</b> Deputy Chairman London

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Secretary	<b>Stanley Pigott</b>
Assistant Treasurer	<b>John Nettleton</b>





